



**29 April 2011**

**Foster's Group Limited 2011 - Scheme & General Meetings**

Foster's Group Limited will today address shareholders at the Scheme and General Meetings to be held in Melbourne, commencing at 9:00am.

Attached is a copy of the Address delivered by the Chairman, David Crawford.

A live webcast of the Scheme & General Meetings can be viewed at [www.fostersgroup.com](http://www.fostersgroup.com). An archive of proceedings will also be available from the Foster's website.

**Further information:**

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## Foster's Group Limited 2011 - Scheme & General Meetings

### Chairman's Address David Crawford

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On behalf of the Foster's Board, I welcome you to this morning's proceedings and invite you to support the Demerger of Treasury Wine Estates from Foster's Group. The Demerger will result in the separation and listing on the Australian Securities Exchange of our wine business, Treasury Wine Estates.

The Demerger recognises the different business characteristics and industry dynamics faced by each business and the benefits already delivered by organisational separation. Your Board is unanimously of the view that, having undertaken a review of the issues, costs and benefits, a Demerger represents the best path forward and is in the best interests of Foster's shareholders.

The Foster's Board believes the Demerger will maximise aggregate long term value for Foster's shareholders as compared to the status quo or a possible sale or an initial public offering of the wine business and that the advantages of the Demerger outweigh any disadvantages of the Demerger.

The factors that the Foster's Directors have taken into consideration in arriving at this view along with the advantages, disadvantages and risks of the Demerger are described in Section 2 of your Demerger Scheme Booklet which you have had a chance to review. The advantages of the Demerger include greater flexibility and enhanced focus on each business, the ability to adopt independent capital structures and financial policies, greater investment choice, increased transparency for investors and increased flexibility for New Foster's and Treasury Wine Estates to determine their respective compensation and incentive plans.

The disadvantages of the Demerger include reduced size and diversification of the businesses, one-off transaction costs, additional corporate and operating costs, and higher interest costs and increased counterparty credit risk for New Foster's. You should consider the risks of the Demerger, also described in Section 2 of your Scheme Booklet, when deciding whether or not to vote in favour of the Demerger.

The Independent Expert, Grant Samuel, has also concluded that the Demerger is, on balance, in the best interests of Foster's shareholders. A concise version of the Independent Expert's Report is included in Section 11 of your Demerger Scheme Booklet.

Under the Demerger you will retain your existing Foster's shares, and will also receive one share in Treasury Wine Estates for every three Foster's shares you own, allowing you to continue to participate in the future of both businesses. If the Demerger is approved, no payment or further action will be required from you.

On behalf of the Board of Foster's I urge you to vote on this proposal and look forward to your continuing involvement with Foster's and Treasury Wine Estates.